

## DD INCOME FUND

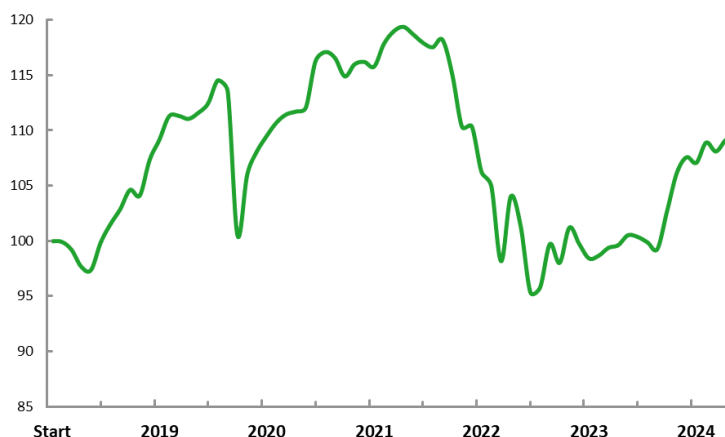
## Monthly report June 2024

**Profile**

The DD Income Fund (DDIF) is an actively managed global bond fund. The fund invests globally in government bonds of developed and emerging countries, corporate bonds, high yield, microfinance and other financial instruments with stable income. DDIF pursues an active investment policy and does not use a benchmark. The fund is managed by an independent partnership with the conviction that sustainability makes a positive contribution to the return and risk profile of the portfolio. The fund is traded daily.

**Return participation A\***

DD Income Fund achieved a return of 0.48% in the month of June 2024, as a result of which the net asset value per unit A rose to €24.98.

**Return DD Income Fund, class A**

\* The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future.

**Fund information****Key facts**

Fund size	€ 95.3 mln
# shares A	2,457,792
# shares B	426,207
# shares C	916,505
NAV A*	€ 24.98
NAV B*	€ 25.14
NAV C*	€ 25.36
# positions	164

**Costs**

Management fee A	0.65%
Management fee B	0.50%
Management fee C	0.25%
Other costs**	0.20%
Up/down swingfactor	0.25%

**Other**

Start date	Part. A: September 2018 Part. B: January 2020 Part. C: January 2021
Manager	DoubleDividend Management B.V.
Status	Open-end, daily
Exchange	Euronext Amsterdam
ISIN (A)	NL0013025539
ISIN (B)	NL0014095101
ISIN (C)	NL0015614595
Benchmark	None
Currency	Euro

**Risk monitor**

\* per participation  
\*\* expect

This is a publicity notice. This information does not provide sufficient basis for an investment decision. Therefore, please read the DD Income Fund's Key Information Document and prospectus for more information on, investment policy, risks and the impact of costs on the amount of your investment and expected return before making an investment decision. These are available on DoubleDividend Management B.V.'s website ([www.doubledividend.nl](http://www.doubledividend.nl)). DoubleDividend Management B.V. is manager of DD Income Fund and is licensed as manager and supervised by the Netherlands Authority for the Financial Markets. The net asset value has not been audited by an external auditor.

**Table: monthly returns in %, participation A (net of costs and fees) \***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018									-0.06	-0.71	-1.56	-0.31	-2.62
2019	2.57	1.66	1.34	1.69	-0.48	3.08	1.71	1.95	0.03	-0.24	0,50	0,76	15,50
2020	1.86	-0.85	-11.48	5.43	2.00	1.29	1.11	0.66	0.23	0.31	3.76	0.71	4.14
2021	-0.47	-1.42	0.95	0.18	-0.36	1.77	0.96	0.35	-0.57	-0.64	-0.34	0.57	0.94
2022	-2.65	-4.14	0.05	-3.74	-1.21	-6.47	5.96	-2.56	-5.93	0.46	4.09	-1.7	-17.08
2023	3.25	-1.45	-1.32	0.24	0.72	0.25	0.90	-0.16	-0.49	-0.61	3.45	3.38	8.30
2024	1.34	-0.47	1.71	-0.74	0.95	0.48							3.30

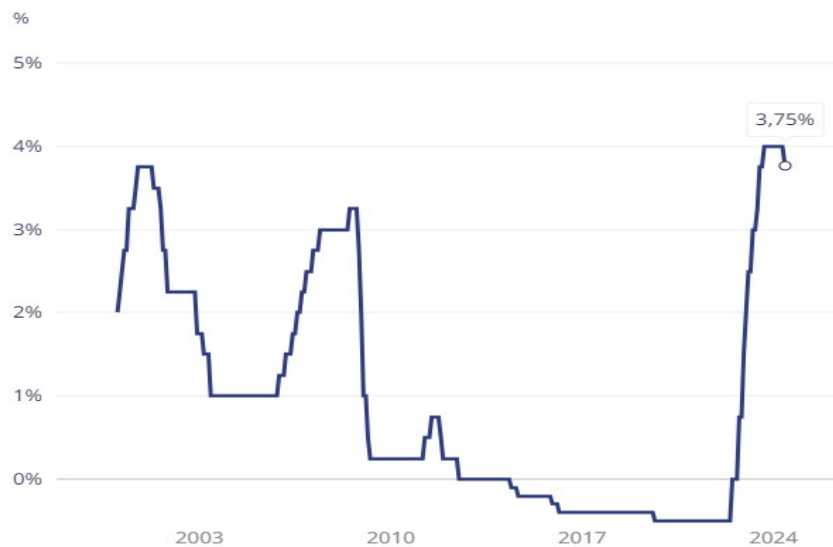
\* The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future. As a result, you may lose all or part of your investment. You can read more about the risks in the Fund's Key Information Document and prospectus.

**Market**

The ECB lowered interest rates last month for the first time since September 2019. Between 2019 and 2023, the ECB raised interest rates in ten steps to 4% with the aim of slowing down inflation. Progress has been made in this area, resulting in the ECB lowering the official interest rate by 0.25% to 3.75%. It is expected that interest rates will be further reduced, but the timing of this is uncertain. The market currently expects 1 or 2 more cuts in 2024 and another 2 or 3 cuts in 2025, which would bring interest rates to 2.5-3% over the course of 2025. However, due to uncertain inflation and economic developments these expectations are subject to significant changes.

Longer-term interest rates also fell in Europe last month, which had a positive effect on bond prices. The market has already priced in quite a few interest rate cuts. For example, the German interest rate with a term of two and five years is 2.8% and 2.5% respectively. We therefore currently prefer government bonds with a shorter term. These offer a higher return at a lower risk.

**Graph: ECB policy rate**



French government bonds were under pressure last month due to the political unrest resulting from the elections in combination with the high budget deficit in France. The spread over German government bonds increased last month from 0.5% to 0.8%. The budget deficit in France this year is estimated at 5.5%, well above the 3% limit set by the EU. Investors fear that the possibilities for reducing the deficit are limited due to political uncertainties.

European corporate bonds benefited from the lower interest rates, although the risk premium that investors demand on corporate bonds did rise slightly. However, this premium is still relatively low at 1.2%. The DDIF managed to benefit from the favourable developments on the bond markets and closed the month with a return of 0.48%.

**Table: Characteristics of the DDIF portfolio at the end of the month**

# of positions	164
# of issuers	119
Overall credit rating	BBB+
Euro exposure	75%
Cash	0.3%
Investment grade (incl cash)	76%
Expected return (yield-to-convention*)	5.5%
Duration (Option Adjusted Duration* in years)	5.2

Source: DoubleDividend/Bloomberg

\* Yield-to-Convention is the return on the portfolio, including cash, if the ability to repay the loan earlier is taken into account. The actual return may differ because an issuer cannot meet its obligations and due to currency fluctuations. The duration indicates the approximate percentage value change of the portfolio if the interest rate changes by 1%.

## Portfolio changes

As discussed above, we still find interest rates on short European government bonds attractive. We therefore added three short bonds of Germany, the Netherlands and Finland to the portfolio again, with interest rates ranging from 3.25-3.5%.

**Table: portfolio per building block**

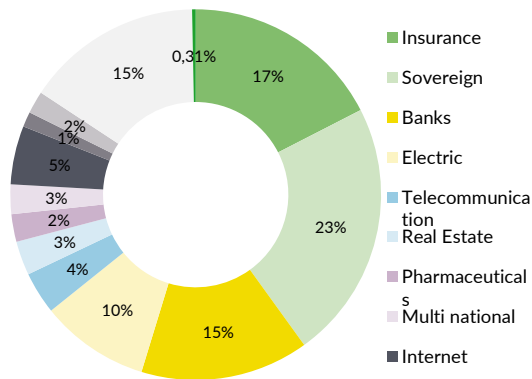
Building blocks	Range	Weight	Yield-to-worst	Duration
Government bonds developed markets	0-50%	17.4%	4.0%	3.4
Government bonds emerging markets	0-25%	8.8%	4.9%	9.1
Corporate bonds investment grade	0-50%	40.2%	5.3%	6.2
Corporate bonds high yield	0-25%	18.4%	7.1%	3.6
Microfinance & supranational bank	0-25%	3.0%	5.3%	3.1
Other	0-25%	11.9%	6.9%	4.7
<b>Cash</b>	0-25%	0.3%	0.3%	0.0
<b>Total</b>		<b>100%</b>	<b>5.5%</b>	<b>5.2</b>

Source: DoubleDividend

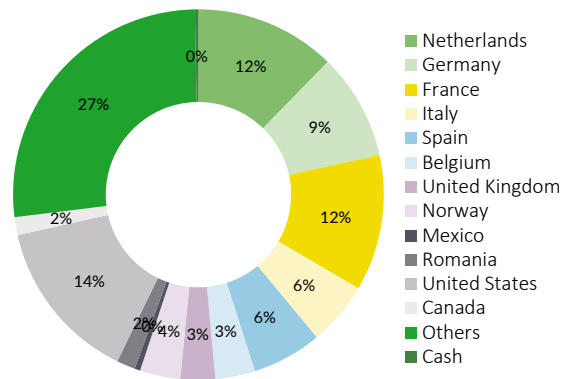
## Team DoubleDividend

Appendix: portfolio characteristics

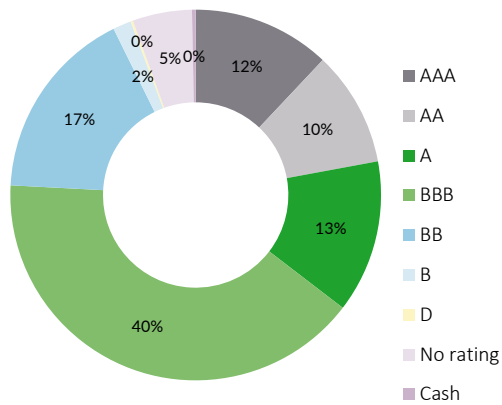
Distribution per sector (GICS)



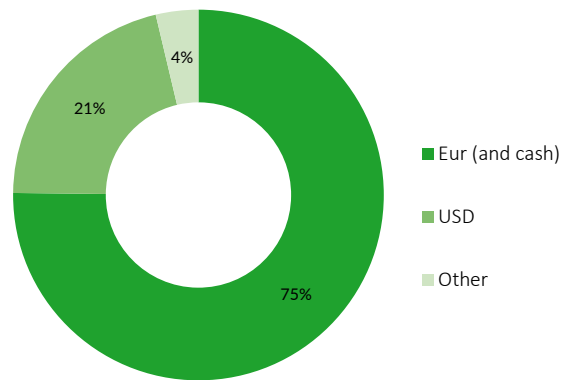
Distribution per country of origin



Distribution per rating



Distribution per currency



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